



**APPROVED MINUTES**  
**Idaho Soil Conservation Commission**  
**2270 Old Penitentiary Road**  
**Boise, Idaho**

The Idaho Soil Conservation Commission (ISCC) held its regular, bi-monthly meeting on March 14, 2005 in lower conference rooms 1 and 2 at the Idaho State Department of Agriculture (ISDA) in Boise, ID. Attendance was as follows:

Members: Bill Whittom, Chairman  
J. Morgan Evans, Vice-Chairman  
Gary Grindstaff, Secretary  
Jerry Reid, Member  
Tom Johnston, Member

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Governor  
Dirk Kempthorne

Commission members  
Jerry Reid  
Bill Whittom  
J. Morgan Evans  
Gary Grindstaff  
Tom Johnston

Administrator  
Jerry Nicolescu

Advisors: Rich Sims, USDA-Natural Resources Conservation Service  
(NRCS)

Advisors not present: Paul McCawley, University of Idaho (U of I)  
Kyle Hawley, Idaho Association of Soil Conservation

Districts (IASCD)

Others: Jerry Nicolescu, ISCC  
Brenda Thomasson, ISCC  
Christy Mastin, ISCC  
Jennifer Ambrose, ISCC  
Biff Burleigh, ISCC  
Kent Foster, IASCD  
Kathie Shea, ISCC  
Wayne Newbill, IASCD OnePlan  
Amy Williams, BSU Environmental Finance Center  
Ronda Hirnyck, U of I  
Sharon Kinzer, Lewis SWCD  
Debbie Tiede, Power SWCD  
Renee Riddle, Bonner SWCD  
Karma Bragg, Custer SWCD  
Holly Cotton, Idaho SWCD  
Pat McCoy, Capital Press  
Pat Takasugi, ISDA

### **Welcome, Announcements, Minutes**

Chairman Whittom called the meeting to order at 8:30 am. Whittom asked if all had read the minutes and if there were any corrections or additions. Reid had two corrections – on page four of the January 10 minutes, “after discussion, the resignations were to be held by the executive director of IASCD”. Also, on page six, middle of the

page – first bullet – capital with an “a” rather than capitol with an “o”. Evans moved that the minutes be approved with the corrections. Grindstaff second. Motion carried.

## **Financial Reports**

### *General Fund Report*

Thomasson distributed copies of the February financial statement. She explained the corrections and additions that she has been working on in an effort to enhance the readability of the budget. She also expressed concern over the operating expense budget and how quickly it is being depleted. After a lengthy discussion, Reid moved to approve the general financial statement. Johnston seconded and the motion carried.

### *RCRDP Report*

Mastin presented the financial reports for RCRDP. Mastin explained that most of our repayments are received in December, January and February. She apologized for not having February figures available sooner. Mastin has been on the road marketing the program and trying to generate more interest. She has also been aggressively pursuing a more timely completion of projects to disburse funds more quickly. Reid praised Mastin for attending division meetings. Grindstaff asked if some of the dedicated funds in RCRDP could be used for purchasing vehicles. Thomasson explained that, by law, the funds for RCRDP are dedicated and may not be used for other purposes. Mastin has also attended some irrigation workshops to promote the loan program. Evans suggested having her attend beef schools and other areas to promote the program even further. Reid moved to approve the RCRDP financial report. Johnston seconded and the motion carried.

## **Conservation Improvement Grants**

Burleigh presented a balance sheet for grants for FY05. There is about \$765,000 remaining in the WQPA program. To date, approximately \$58,000 has been paid out or obligated for administrative funds and just over \$560,000 has been paid or obligated for BMPs. Grindstaff asked if the water shortage was affecting how many BMP projects were implemented. Burleigh explained that most of our projects are in places where the Commission has field staff, which enables the Commission to implement projects without relying on technical assistance from NRCS or the IASCD. There will probably be a couple of projects brought forth in May for the WQPA program. To date \$98,502 has been paid for groundwater grants, rather than the \$160,000 estimated last year. Evans moved to approve the financial report for grants. Johnston seconded and the motion carried.

Burleigh presented six requests for grant funding. The Custer SWCD has two requests; Ben O'Neal for \$10,000 and Mary White for \$10,000. Both projects have worth individually, but are also part of a high priority stream (Bull Trout habitat) reconnection project facilitated by the U.S. Fish and Wildlife Service. Both projects would reduce the

amount of water drawn from Falls Creek. O'Neal would be contributing \$100,530 of his own funds and White would contribute \$62,062 for hers. Evans moved to approve these two grants. He then withdrew his motion. Grindstaff moved to approve all six grants. Reid second and the motion carried. The other grants approved were for Bill Fleming from the Gooding SCD for \$10,000; Clyde Phillips of the Lemhi SWCD for \$10,000; Ernest Bryant III from the Wood River SWCD for \$10,000 and Devan Hubert from the Wood River SWCD for \$10,000.

### **IASCD Report**

Foster gave the IASCD report on behalf of Hawley, who was unable to attend. Foster reported that 28 districts participated in the District displays. The displays were successful, with a small drawback being the water rights hearings being held at BSU rather than at the Statehouse. Envirothon will be held in Challis May 10 and 11 and the Forestry Contest will be May 13, 2005 at Ray and Fairy Delay's. Conference planning for November is already underway. A theme for the conference has been established "Water: Idaho's Endangered Resource".

Foster also reported that contract employees have been hired to assist with Farm Bill work in TMDL areas. These contracts are working well. There have been some staffing changes. Dan McCarty has moved to ISDA as an inspector out of the Lewiston area. Mark Dallan has moved to Montana and has been replaced by Jenifer Clawson. Carolyn Firth has been hired by the SCC. Her position will not be refilled; rather, those duties will be assigned to other employees. A part-time position has also been hired in Salmon. Two employees have been fired, one in Salmon and one in Cascade. The position in Salmon has been rehired and the position in Cascade has been announced.

Foster announced that the IASCD was asked to appear before the Senate Ag Affairs committee and the presentation was very successful. The OnePlan received an award for innovations in technology during the Ag Summit. IASCD has purchased eleven vehicles that might be available for the Commission for future use. Carolyn Firth is actually using a vehicle provided by the IASCD.

Grindstaff asked why the IASCD Conference is a week later this year than it normally is. This was because the hotel where the IASCD wanted to hold the conference was not available until that time frame. This is very beneficial for SCC and NRCS employees, as there is no conflict with the Veteran's Day holiday.

### **Budget Hearing/Setting Update – Senate Ag Committee Update**

Nicolescu reported on the budget hearing on February 14<sup>th</sup>. The hearing went well, with very few questions asked. There were some questions on SRF, the origination of the Commission and Districts, and some high praise for the Commission and Districts, specifically from Representative Bedke.

Nicolescu distributed a copy of the report prepared for the Senate Ag Affairs committee. He reported that overall, the meeting went very well. The only area of contention dealt with the OnePlan and the provision for privacy under the Idaho Public Records Law. Nicolescu reported that Section 940-D, Idaho Code, which protects information developed under the OnePlan as a trade secret, is being used by the ISDA to keep that information private. Senator Stennett does not like this interpretation of the law and would like to see it changed. There have been three different Attorney Generals opinions' of this section of the law and all three are different. Senator Stennett understands that this area is beyond the Commission's control and, overall, the Committee was pleased with the report.

Evans asked again about the funds to replace the groundwater grants. Nicolescu explained that the Commission was able to put good conservation on the ground and increased the knowledge of the Governor and his office about what the Commission can do. If CREP becomes a reality, we will more than likely become the agency to handle it. Grindstaff and Evans felt that the Governor's office had promised to replace those funds and has yet to follow through on the promise. Nicolescu felt that if we had really pushed the issue, the Governor would have cut the funds from another area of our budget in order to replace Water Quality Program for Agriculture funds. Whitton expressed the view that the members were appointed by the Governor's office and that we should assist him wherever possible. Nicolescu also agreed with Grindstaff that if we are asked to do a similar project in the future, we may have to decline to provide assistance due to lack of sufficient funding.

Burleigh commented that he felt it was positive that the Governor's office did attend the July meeting to thank us for our efforts. He felt that the good will generated was well worth the \$160,000 spent on the groundwater grants.

We got four-tenths of a percent overall increase in our general budget, including cost roll-ups and other areas of the budget that we had no control over. Foster stated that Nicolescu had done an outstanding job during the Committee hearings and before JFAC. Nicolescu will also present a similar report to the House Ag Committee on Wednesday.

## **RCRDP Loan Application Reviews**

*J. Keith and Mary Hunt*

Mastin presented several loan requests for consideration by the Commission. The first request was from Keith Hunt from the Blaine SWCD for \$20,000 on a ten-year term at four percent interest to purchase a wheel line irrigation system. Johnston moved to approve the request and Evans seconded. After a brief discussion regarding working capital, the motion carried. Details of the application as noted below:

<b>Signing Parties:</b> J. Keith and Mary Hunt
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<b>Loan Amount:</b>	\$20,000	<b>Term:</b>	10 Years	<b>Rate:</b>	4%
<b>Conditions:</b>	<ul style="list-style-type: none"> <li>· ISCC to secure a first mortgage on 70 acres</li> <li>· ISCC to secure 1<sup>st</sup> lien on equipment to be purchased (UCC-1)</li> <li>· Secured equipment to be insured for life of loan</li> </ul>				
<b>Disposition:</b>	Approved				

*Jeffrey and Pamela Wade*

The next request presented was for Jeffrey and Pamela Wade to purchase a center pivot. Reid moved to approve with the conditions recommended by Mastin. Grindstaff seconded and the motion carried. Details of the application as noted below:

<b>Signing Parties:</b>	Jeffrey and Pamela Wade				
<b>Loan Amount:</b>	\$86,700	<b>Term:</b>	15 Years	<b>Rate:</b>	5%
<b>Conditions:</b>	<ul style="list-style-type: none"> <li>· ISCC to secure a second mortgage on 73 acres</li> <li>· ISCC to secure 1<sup>st</sup> lien on equipment to be purchased (UCC-1)</li> <li>· Secured equipment to be insured for life of loan</li> </ul>				
<b>Disposition:</b>	Approved				

*Devan and Kristin Hubert*

The third request presented for consideration was from the Wood River District for Devan & Kristine Hubert to purchase a center pivot. Johnston moved to approve the request with the conditions as recommended by Mastin. Reid seconded and the motion carried. Details of the application below:

<b>Signing Parties:</b> Devan & Kristine Hubert				
<b>Loan Amount:</b> \$20,000		<b>Term:</b> 5 Years		<b>Rate:</b> 3%
<b>Conditions:</b>		<ul style="list-style-type: none"><li>· ISCC to secure 1<sup>st</sup> lien on equipment to be purchased (UCC-1)</li><li>· Secured equipment to be insured for life of loan</li><li>· Assignment of milk sales to the ISCC</li></ul>		
<b>Disposition:</b>		Approved		

*James Hermann*

The next loan request presented was for James Hermann for \$62,000 for 7 years at 4% interest. Reid moved to approve. Johnston second. Motion carried. Details of the application as noted below:

<b>Signing Parties:</b> James & Rita Herman					
<b>Loan Amount:</b>	\$62,000	<b>Term:</b>	7 Years	<b>Rate:</b>	4%
<b>Conditions:</b>	<ul style="list-style-type: none"><li>· ISCC to secure 1<sup>st</sup> lien on equipment to be purchased (UCC-1)</li><li>· Secured equipment to be insured for life of loan</li></ul>				
<b>Disposition:</b>	Approved				

*Douglas and Susan Ashburn*

Mastin next presented the request of Douglas and Susan Ashburn for \$50,000 on a five-year term at 3% interest. This loan was rejected during a teleconference in February. Mr. Ashburn has written a letter to the Commission requesting this loan be reconsidered. His EQIP funds will be used to repay the debt. This would be an excellent conservation practice. If the SCC could be assigned the EQIP payments for the amount of our payments, we could consider this option. Nicolescu suggested a condition that he maintains the criteria to keep his EQIP payments and that he not encumber any other EQIP liens. Reid moved to approve with these conditions. Johnston seconded. Motion carried. Details of the application below:

<b>Signing Parties:</b> Douglas and Susan Ashburn				
<b>Loan Amount:</b>	\$35,000	<b>Term:</b>	7 Years	<b>Rate:</b> 4%

<b>Conditions:</b>	<ul style="list-style-type: none"><li>· ISCC to secure 1<sup>st</sup> lien on equipment to be purchased (UCC-1)</li><li>· Secured equipment to be insured for life of loan</li><li>· ID-NRCS to assign EQIP payments specific to this contract</li></ul>
<b>Disposition:</b>	Approved

*Jerry Nance*

Mastin presented three requests for loan servicing actions. Jerry Nance is requesting a partial release of all Real Estate, as he is selling it and holds just the pivot as security. The pivot is located on property that will not be sold. Currently, US Bank holds a blanket lien on all irrigation equipment. Grindstaff moved to follow Mastin's recommendations and approve the request. Evans second. Motion carried.

*Ed Lucero*

Next request was for Ed Lucero to re-amortize and extend the maturity date of their loan. The request was to have a bi-monthly milk assignment and extend the maturity to 7 years. One stipulation is that the Lucero's pay interest current to February 1. Grindstaff moved to accept the milk assignment and take the interest and penalties. Johnston seconded. Grindstaff amended the motion to be aware of all other assignments. If the assignments exceed the bi-monthly milk payment, we cannot accept assignment. Johnston amended his second. Vote on the amendment carried. The amended motion also carried.

*Patrician Englund*

The final servicing action was a six-month extension for Patricia Englund to complete her project. It will be completed by September 2005. Evans moved to approve. Reid seconded. Motion carried.

During the February teleconference, Mastin had requested that the members consider additional criteria for approval of loans. Suggestions were previously mailed to the members on ways to revise the criteria. Reid moved to accept the guidelines proposed by Mastin. Evans seconded. During discussion, Johnston asked if there was any criteria like this specifically in the policy. Mastin stated that, if approved, these suggestions would establish the criteria. Motion carried.

Nicolescu mentioned that Mastin has almost completed her six-month probationary period. Grindstaff moved that we increase Mastin's salary upon successful completion of probation. Evans second. Motion carried.

## **NezPerce Update**

Nicolescu reported on the progress with the NezPerce SWCD. NezPerce SWCD Chairman John Hermann is working with the two members to secure the resignations to be held by the IASCD. There has been a meeting with the new NezPerce board member, Dale Nichols. There will be a board meeting Thursday evening to include a

number of constituents who are unhappy with the direction the NezPerce Board is going. NezPerce has compiled a list of items that they have accomplished to date. Nicolescu feels that the District is working hard to resolve the issue themselves. The program audit is taking place April 4-8. One of the Board members has not been attending the meetings and Nicolescu and Hawley met with him to resolve that issue as well. Johnston asked about a mediation committee. Nicolescu distributed copies of a memorandum he developed on a Partnership Advisory Committee. Staff will begin a drafting process for these procedures so that all is in place to be approved at conference. The NezPerce District will not be the only District to benefit from this type of a process. Grindstaff asked how the travel for this type of partnership meeting would be funded. This is an area we still need to investigate. We might also conduct conference calls. The Committee also has the right to appoint alternate members to participate.

### **OnePlan Update**

Wayne Newbill introduced Amy Williams from Boise State University's Environmental Finance Center and Ronda Hirnyck, the Pesticide Coordinator for University of Idaho. Williams has a Masters in Public Policy Administration. Williams gave a brief background on the Environmental Finance Center. The EFC is part of a network of environmental finance centers. There are nine centers throughout the country. Each center has a different area of expertise. BSU's focus is on water, waste-water utility financing, watershed issues, non-point source issues. Their mission is to assist local groups with the financing issues of environmental protection.

The EFC has two primary approaches to environmental finance: Macro finance includes Watershed Finance, focusing on regional non-point source pollution. Alternately, Micro finance includes Utility Finance, is community oriented, and works with point source pollutants.

After users enter information into the OnePlan, the program identifies programs that could be used. From there, the EFC looks for financial resources that can be used to assist practice implementation.

The reasons to do this include providing the landowners with financial information to help them make decisions to help NRCS and Districts reduce their workload, provide additional data. EFC assist landowners in finding sources of funding. It improves coordination between the landowners and funding sources. Once the practices have been identified, EFC would like to identify general financial costs and determine if they are high, medium or low. This information allows the comparison of costs and benefits. For example, once a practice has been identified, the range of costs are provided as an estimate, as well as where resources could be obtained to finance the projects. The information also included costs lists, tools, and practice names.

Once a practice has been identified, cost information and water quality benefits can be added to the website. EFC also wants to provide more specific information based on individual practices and the practices the landowner would like to implement. The

practice calculator would link the participate to a list of cost estimates, updated annually. There is also a range of costs available to review. Several of the components are straightforward, with the estimated costs being a dollar amount per acre. Once the actual costs are determined that information could also be entered to determine the overall cost of the project.

The process can be repeated for each practice to be implemented to gain an overall estimate of the costs estimated to complete a project. After all practices have been entered, a report can be generated of all the costs and the different resource management projects that might be implemented. There is a link that will direct users to the Directory of Watershed Resources that would identify potential funding sources for each type of project. There is a key-word search available to look for federal, state and private funding sources. Once a funding source is identified, additional details are then available to proceed with securing funding.

Grindstaff asked if the program is ongoing. Williams explained that they receive base-grant funding from EPA, which is then doubled from other state, federal and private sources. There is no cost to use the data base.

Mastin asked how a program could be added to the list of resources. Williams indicated that there is a place on the website to add the programs, or she can be contacted directly. Evans asked if his information would remain confidential. Whitton asked how many hits the website was receiving. Newbill indicated that there currently is no counter to determine that, but that he would follow-up with adding a counter to the web page. The data is specific to each region. They will be adding a section on the key-word search to identify separate areas. The EFC is a great complement to the OnePlan. They had been looking for a delivery system for their program and the OnePlan is an excellent fit. Hirnyck asked if site-specific data would be available to determine which locales might receive the benefits.

This has been a good partnership with the OnePlan. Newbill and Hirnyck will be bringing a budget request to finish the OnePlan nutrient management components to the Commission. Nicolescu asked the status of the range management component. Newbill indicated that the pest management component has been stalled, but that the range management component has been moving forward. They are waiting for NRCS to finish their ecological site descriptions. The contract is through the IASCD and NRCS. The ecological site descriptions will probably take three years to complete. As those descriptions are completed, they will be implemented into the range management component.

### **RCRDP Loan Applications, continued**

*Ernest A. Bryant III*

Mastin presented an additional requested or a loan for Ernest A. Bryant III from the Wood River District for \$19,000 at 3% interest for five years.

Details of the application below:

<b>Signing Parties:</b> Ernest A. Bryant III					
<b>Loan Amount:</b>	\$19,000	<b>Term:</b>	Years 5	<b>Rate:</b>	3%
<b>Conditions:</b>	<ul style="list-style-type: none"><li>· ISCC to secure 1<sup>st</sup> lien on equipment to be purchased (UCC-1)</li><li>· Secured equipment to be insured for life of loan</li><li>· Security interest waiver for landowner</li></ul>				
<b>Disposition:</b>	Approved				

Moved to approve by Grindstaff. Seconded by Reid. A grant was also approved earlier in the day for this project. After a brief discussion, the motion carried.

## Agency Reports

### *IDEA Report*

Sharon Kinzer introduced the new IDEA President, Debbie Tiede. Tiede thanked Kinzer for her introduction and delivered the IDEA report. A summary of that report is as noted below:

- Elections: Karma Bragg is the new Vice-President for IDEA. Renee Riddle is the new Secretary. Ken Stinson remains treasurer and Vicki Lukeheart is the Historian.
- Changes are being made to the rifle raffle: there will be additional guns offered during the November conference.
- Forty-nine of fifty-one districts are members of IDEA currently.
- Tiede thanked the members for their past support.

## Legislative Update

Nicolescu reported that he is tracking a few pieces of legislation. Most of the bills have been held in committee, as has a revision to the public records law. The bill for Watershed Advisory Groups has been passed and WAGS will now be developed much in the same way as Basin Advisory Groups (BAGS). They will now have the ability to provide input on the development of TMDLs. Pat McCoy reported that House Bill 152, ratifying the NezPerce agreement is still in committee, as she has just come from the legislature. Evans asked if McCoy or Nicolescu felt the bill would pass. Nicolescu felt that it would pass. Nicolescu had not sat in on any of the committee meetings or hearings due to travel to Division meetings.

McCoy reported that the Commission has not been mentioned in the discussions. Some people feel that the bill is a threat to private property rights. Others are afraid of potential litigation. Reid stated that he feels the bill is very popular in all areas of the

state, except North Idaho. Sims asked if there was any word on the Conservation Reserve Enhancement Program (CREP). Nicolescu feels that the legislature is waiting for the outcome of the NezPerce agreement before moving forward with CREP, as there are some possible implications there. The CREP program application has not yet been submitted. Sims suggested that the SCC and the NRCS have devoted three years of staff time on the program for no benefit back to either entity. Sims suggested no longer participating if the program does not move forward.

Grindstaff asked about the status of the bill requiring 10% ethanol in all fuels. It was reported that there is much debate about this bill in the legislature.

### **Agency Reports, continued**

#### *NRCS Report*

Sims gave the NRCS report. He thanked Pat McCoy for an excellent article in the Capital Press and distributed copies of his written report highlighting EQIP, WHIP, CSP and agreements with the IASCD and the SCC. Sims would like to see a new agreement for FY06. Sims has decided that NRCS will bring on new positions, such as soil conservation technicians, as term positions or career intern positions. By doing this, he can reduce the dollars spent on personnel. He can use this as a management tool up to four years before deciding whether or not to make the position permanent. In conclusion, Sims reported that there are 15 areas that will be active in the Conservation Security Program. Sims tried to involve ranchers and specialty crop producers.

The President proposed a number of cuts to natural resource programs in his new budget. Most of the major programs will suffer from substantial cuts or will be funded at much lower levels than in the past. These figures are included in the report Nicolescu gave at Division meetings and distributed during the meeting. There are several congressional personnel fighting the budget proposal already.

### **ISDA /ISCC Memorandums of Agreement**

Nicolescu briefly reviewed the agreements with ISDA for our administrative needs. He also mentioned that the five-year agreement for engineering services expires in May. Johnston asked about the PIO position. Kathy Sodhi has resigned and has physically left the employment of ISDA and the Commission. There has been some discussion about how that position will be utilized and if the funding will stay with the Commission in PC, or if it will be reallocated to ISDA. Discussions have also been underway on increasing the administrative costs paid to ISDA for fiscal, legal and personnel costs. The support the Commission receives from ISDA is limited, due in part to the non-regulatory nature of our programs. Sims indicated that he needs to return to his office to work on projects and asked to be excused from the meeting.

## **Finance Programs Review**

### *RCRDP Audit Review*

Mastin reviewed the copies of the recommendations from the South-Johnson audit. She addressed each item listed in the report. South-Johnson had recommended that all loan information be submitted to ISDA on a quarterly basis. Mastin felt that this could be done monthly. She had also discussed the issue with Kelly Nielsen to determine exactly what he needed. Nielsen would like to see an annual estimate of loan projections that could be followed up on annually. Evans asked about the redundancies that seem to be built into the system. Mastin has no problem in providing the information to Nielsen. He also agreed that a quarterly report was redundant, given the fact that he already receives the information on a monthly basis. Mastin will continue to work with Nielsen to ensure he has the information needed. Mastin would like to propose that rather than printing out a new loan balance sheet every year, the new computer program should handle that. All other concerns of the audit findings have been addressed and have been corrected to South Johnson's recommendations.

### *SRF Policy Revision*

Mastin also reviewed the changes made to the draft SRF policy. Reid asked about taking Conservation Districts out of the process. SRF loan requests do not have to originate with the Conservation District; however, as a courtesy, if an SRF project is brought forward, the affected Conservation District would be notified. There were also additional recommendations made by Mastin to streamline and update the SRF policy for better clarity. She made the language more consistent with the Commission's current practices, modeling RCRDP policy in many areas and helping to clarify the Commission's financial standing. Mastin suggested that language changes be implemented to require collecting interest at least every six months on the payments during the construction period of projects. The interest will accrue from when the loan is disbursed until the first actual payment comes due. Commission Members will delegate authority to the Administrator to act on their behalf for changes relative to SRF loans. It was suggested that the fee for partial releases be increased to \$500 and to change the wording from "may be charged" to "shall be charged". Mastin asked if the members wanted to set one interest rate, or if the rate could vary. Currently the interest rate for SRF loans is 4% and will be reviewed annually. DEQ puts out its request for solicitations in February, and then approves for disbursement after July 1 each. Reid moved to approve the draft SRF loan policy with the changes suggested today. Evans seconded the request and the motion carried.

Mastin stated that there will be two SRF requests presented at the May meeting for approval. One of the projects is the Lindsay Lateral for \$1.2 million. The other project is South Bingham's purchase of a plant materials center for \$350,000.00. Conservation Districts have asked why there is no financial incentive for marketing the SRF program. Johnston stated that this program is an enhancement to the existing programs and should help Conservation Districts to bring more projects into their areas. Grindstaff moved that by policy, no finders' fees will be paid for the SRF program. Johnston seconded and the motion carried.

### *ISDA Report*

Whittom welcomed Takasugi to the meeting at 2:00 p.m. Takasugi talked about the severe drought currently facing Idaho. Washington state has been declared a disaster area. Water flows in some of Idaho's rivers are fairly high, yet irrigation water is predicted to be at only 23%. In Idaho, County Commissioners submit requests to the Governor to declare disaster areas. This process may be initiated soon and may be led by Elmore county with the Elmore SWCD leading this effort.

Takasugi discussed CRP land and the recommendations for field burning. Takasugi would like to form a committee to talk about CRP in Idaho, to be run as part of ISDA's Smoke Management Program. As part of a drought declaration, grazing could be implemented for CRP land rather than field burning. Takasugi suggested that the Commission send a letter to Conservation Districts encouraging grazing rather than burning. Nicolescu agreed to draft a letter and will review with Takasugi before sending out to Conservation Districts. Takasugi passed around a copy of a CRP aggregate report on acreage in Idaho. Evans asked Takasugi if he felt that CRP would continue in the Farm Bill. Takasugi feels that funding will go to the Conservation Security Program (CSP) with perhaps a change in name and some modification of language.

Many areas of the World Trade Organization are starting to come under scrutiny based on the subsidies paid to growers. Changes in subsidy programs under the Farm Bill could amount to significant changes in the way funding is distributed. This money might even be moved completely out of the agricultural budget.

There is a provincial state advisory group that discusses trade issues. Takasugi is the chairman of this committee and deals primarily with trade in Canada. Canada has been slow in meeting some of the recommendations made by the advisory group, but recent progress has been made. Takasugi will provide Nicolescu with a report that can be distributed to the members to bring them up to date on agricultural trade issues, including cattle, potatoes and hogs sometime towards the end of April.

ISDA will be re-evaluating some of the services provided in engineering and nutrient management. Most of the engineering needs of the cattle industry have already been met. The larger producers have already been reviewed and the designs developed for the smaller producers are cost prohibitive. Nationwide, the average size of a herd of cattle is only 50 head. The smaller producers will be getting out of the business because they cannot afford to meet the engineering design requirements. There will probably be a public push to get EPA to change their focus on the AFO/CAFO organizations. The perception is that EPA is offering much criticism and little help. There is enough discussion going on that the issue is becoming quite serious.

Takasugi reported that ISDA's budget has been set. He feels that the legislature views all agencies as a matter of percentages. Evans asked about potential fee increases from ISDA. Takasugi stated that the legislature really monitors general fund dollars more closely than dedicated funds or federal funds. The animal ID program will be expensive and could have several fees associated with it. The federal government is funding pilot programs for animal ID around the country. Takasugi will find out more information on this program.

ISDA is in the final stages of a new website. There have been substantial changes to the website. Takasugi offered to allow the members the opportunity to review the changes before it is officially unveiled.

Takasugi mentioned that he is on the USDA Air Quality Task Force. There are roughly 20 persons on the committee, most of them pro-ag. EPA and environmental groups are represented, as well as a good percentage of scientists for technical expertise. Takasugi feels this is a good group of people who will not be prone to making disastrous decisions.

The Food Quality Assurance Program in Twin Falls is again being operated by ISDA. Takasugi reported on other important issues. Avian flu is also a big problem. Soy bean rust is affecting garden and field beans as well. Any area where rust is found will be quarantined. Soy bean rust is similar to late blight or early blight and the chemicals used to treat it can be expensive. It is unlikely that soy bean rust will appear in Idaho due to our dry climate. Because of the drought, there is likely to be less ground farmed this year, which could contribute to a soil erosion problem. There could be water wars between the domestic and irrigation wells this year.

Nicolescu and Takasugi have had several productive meetings lately. Nicolescu asked for clarification from Takasugi on relationship issues between the SCC and the ISDA. Takasugi feels that the Commission should be housed in ISDA as a division. Since it is not, he feels that it is operating the best that it can currently. He does not feel that ISDA's role with beef cattle will stay the same. He feels that tape irrigation may come into play more often and that there may be more attempts at commercial green house production. He sees the future roles of the SCC and the ISDA as not being much different than they are now. Unless something changes at DEQ, Takasugi feels it is unlikely that the roles will change. ISDA will have a growing need to increase monitoring efforts, especially as water quality issues continue to abound. The shortage of water is driving additional needs for innovative conservation practices.

Johnston asked if Takasugi had heard anything about appointments. Nicolescu stated that he had received word from the Governor's office that the Governor is searching for a greater balance between Democrats and Republicans. Takasugi suggested that the Commission consider asking the legislature to strike the language for party affiliation from the requirements for Commission members. Perhaps that language could be replaced with language asking for various types of producers, rather than a specific bi-partisan membership.

### **Latah SWCD Administrative Cost Changes**

Nicolescu brought forth a request from the Latah SWCD to change the way administrative costs are handled. Latah would like to see administrative costs declared as indirect costs that go into the budget and are then not accountable to the Commission. ~~Every other grant the District participates in receives an indirect cost, usually in the neighborhood of 15% to 20%. Grindstaff stated that grants are usually~~

~~very specific and that each line item must be addressed. Reid stated that accountability is a big issue. The Latah SWCD feels that they should be paid a fee to run the project, rather than having to report how the 10% administrative fee is specifically spent. Administrative accountability is in place for the protection of Districts and so that the Commission can be accountable to the legislature. Grindstaff moved to deny Latah's request. Evans seconded. Motion carried.~~

### **Miscellaneous Business**

RS14365 is the new budget bill for the Commission. The total budget will increase by four tenths of one percent.

The Agreement to provide technical assistance in Twin Falls has expired. Nicolescu met with Foster and the tri-districts to review the funding. The Commission will pick up \$45,000 for the position in the Twin Falls area. Each of the districts will contribute about \$5,000 for that effort. Johnston moved to approve this recommendation. Reid seconded and the motion carried.

There is a meeting in July for conservation delivery systems. The meeting will be held in Salt Lake from July 11-15 that Nicolescu, and perhaps some staff, will be attending. Nicolescu asked for some new dates for the July meeting to avoid a conflict with this meeting.

A Bridging the Head gate meeting will be held in Boise on April 20-21. Nicolescu has been asked to represent NASCA at this meeting to save on costs for the associations.

TSP is going well. About \$33,000 has been earned so far. There will probably be additional costs in personnel that might be used for additional T & B projects if DFM will allow us to shift the funds. Nicolescu and Thomasson will be traveling to Salmon to work on FRIMA issues.

The Custer SWCD also has some issues that the Commission might need to address, along the lines of the Nezperce issues. Latah district might also have some issues in the future that will bear monitoring.

### **Election Update**

Kathie Shea distributed a copy of election information based on 2004 results. Thirteen districts (26%) held elections this year. There were 17 new supervisors elected this year and seven new supervisors appointed to replace supervisors who have resigned within the last year. One district (North Bingham) has not submitted any data, has not held an election, nor have they even held a meeting to appoint a supervisor. Nicolescu suggested that a letter be written to North Bingham giving them 30 days to comply with the requirements. Reid moved to accept the suggestion. Johnston seconded. The letter would be written under the authority of Idaho Code 22-2721(f). Motion carried. There are a couple of Districts who have empty positions and who have difficulty filling

those positions. Nicolescu suggested that East and West Cassia might consider combining the Districts and having a board of seven supervisors to resolve the issue. Johnston moved to make this suggestion. Reid seconded and the motion carried.

Mastin announced that she will be absent for the May meeting and will designate someone else to present the loan requests on her behalf. Mastin will be attending the Western Idaho Banking School in Pullman during the May Commission meeting.

There being no further business, the meeting was adjourned at 3:36 p.m.

Respectfully submitted by Brenda Thomasson, Management Assistant.